

Comments on MB 02-277 -- Limited window for comments on "UHF Discount"

To the commission:

The Media Bureau has requested public comments regarding the effect of the "UHF Discount" on the national television ownership cap. The "UHF Discount" has outlived its usefulness and should be repealed. Cable, direct broadcast satellite, and electronic tuning on televisions have eliminated the distinction between VHF and UHF channels for the overwhelming majority of viewers, and we are now seeing markets where UHF channels are achieving ratings parity with their VHF competitors.

In view of this parity, the UHF discount no longer serves any needed purpose and should be phased out. Furthermore, the UHF discount should not be grandfathered in for existing station groups -- all this would do is place potential new competitors and entrants into the broadcast television business at a competitive disadvantage.

Instead, the discount should be repealed completely, and any groups that are over the cap should be required to divest stations in order to meet the 39% cap without the UHF discount. They should, however, be granted a reasonable period of time to divest their excess stations. This could be best accomplished by phasing out the UHF discount over several years. For example, the discount would be reduced from 50% to 40% in 2005, to 30% in 2006, 20% in 2007, 10% in 2008, and eliminated completely in 2009. This would avoid a situation where any broadcast group might be forced to divest a large number of stations in a short period of time.

However, it is appropriate that the UHF discount be eliminated. In the current environment, it has become a loophole allowing a single company to own stations covering almost 80% of the country -- and provides no significant public benefit in return.

Respectfully submitted,

Thomas Desmond